

Downtown Muskegon Business Improvement District

Meeting Agenda

July 25, 2016

380 Western Ave., Suite 202 Muskegon, MI at 4 PM

- 1) Call to Order
- 2) Consent Agenda
 - a) Approval of Agenda
 - b) Approval of Minutes from the March 22, 2016 Meeting
 - c) Financial statements as of May 20, 2016
- 3) Public Comment (on an agenda item)
- 4) Unfinished Business
 - a) Update of BID activities for landscaping, planters, signs and events.
 - b) Rebel Road video
 - c) Review the timeline for the approval of the extension of the BID
- 5) New Business
 - a) Consideration of a proposal for extension of the BID beyond 2016 with recommendation going to the Muskegon City Commission.
- 6) Other Business
 - a) Update on the cruise ships this summer
 - b) Next meeting is Tuesday Sept. 27, 2016 4 p.m. chamber training room, 380 W. Western Ave. Suite 202, Muskegon, MI or at the call of the chair.
- 7) Adjournment

Downtown Muskegon Business Improvement District

Meeting Minutes

May 24, 2016

380 W. Western Ave., Suite 202 Muskegon, MI at 4 PM

1) Call to Order: 4:00 PM

2) Attendance:

Doug Pollock (Chair), Justin Clark (VC), Bob Tarrant, Gary Post, Bruce Lindstrom, John Riegler and Connie Taylor

Excused Absent(s): Mike Hennessy and Frank Peterson

Guests: Dave Alexander, Downtown Muskegon Now director; Ellen Berends, Downtown Muskegon Now events coordinator; Cindy Larsen, Muskegon Lakeshore Chamber of Commerce; Ed Garner, Muskegon Area First; Cathy Brubaker-Clarke, city of Muskegon; and Dennis Lohman, Northwester Industrial sales.

3) Consent Agenda

- a) Approval of Agenda, minutes from March 22, 2016, and acceptance of the financial statements as of May 20, 2016.

Motion: Bruce Lindstrom

Support: John Riegler

Vote: All voted in favor

4) Public Comment (on an agenda item) – None. The board chose to leave the floor open for the whole meeting allowing attendees to participate as they like.

5) Unfinished Business

- a) BID update from Dave Alexander, Downtown Muskegon Now. As directed by BID board, Alexander prepared an RFP for district landscaping services for 2016. There were four proposals received. Proposals were reviewed and selected by Alexander and BID Chairman Doug Pollock. H&H Landscaping of North Muskegon received the 2016 summer contract \$10,570. Alexander also signed a contract with O'le Henry Gardens of Norton Shores to prepare and provide flowers for 27 planters in the district. The contract was for \$1,900. The mowing of the three Downtown Muskegon Development Corp. lots on Western Avenue will be handled this year separately by the DMDC.

6) New Business

- a) The BID board was presented a Letter of understanding between the BID board and the Downtown Muskegon Now board for the DMN to operate and manage the BID. The DMN board approved the letter of understanding in April. Bob Tarrant asked about the BID board as it relates to set the district, establishing the assessments and approving the annual budget. A motion to approve the letter of understanding was made.

Motion: Gary Post

Support: Bob Tarrant

Vote: All voted in favor

- b) With the approval of the letter of understanding, Dave Alexander proposed the use of a portion of the \$24,000 in the 2016 BID budget for marketing, promotion and events. As discussed in the March 22 meeting, \$2,500 will be used to sponsor the first quarter of the First Fridays events in downtown, \$4,000 to upgrade the downtown website through LongerDays.com, \$350 a month for newsletter/mail list/social media assistance through LongerDays.com. From the BID's \$7,000 sign/banner budget, the BID proposes two new map signs for \$2,800 through Graphics House. Item was for information.
- c) Dave Alexander explained that the current BID is for one year and that the BID board and the city of Muskegon needs to begin the process of renewal if the BID is to be extended beyond Dec. 31, 2016. The hope of DMN and the city is to extend for three years. Alexander said that DMN will need administrative fees going forward where none are being charged for 2016. Pollock said that Alexander needs to meet with city officials and provide a timeline of what needs to happen for renewal of the BID.

- 7) Adjournment
5:05 PM
No Objection

Minutes produced and submitted by Dave Alexander, executive director of Downtown Muskegon Now.

ACCOUNT BALANCE REPORT FOR CITY OF MUSKEGON
 PERIOD ENDING 06/30/2016

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	BEG. BALANCE 07/01/2015	ACTIVITY FOR MONTH 06/30/2016	YEAR-TO-DATE THRU 06/30/16	END BALANCE 06/30/2016
Fund 297 - DOWNTOWN MUSKEGON BID						
Assets						
297-00000-1101	CASH IN BANK		0.00	16,785.21	19,146.77	19,146.77
TOTAL Assets			0.00	16,785.21	19,146.77	19,146.77
Liabilities						
297-00000-2100	ACCOUNTS PAYABLE		0.00	0.00	1,510.00	1,510.00
TOTAL Liabilities			0.00	0.00	1,510.00	1,510.00
Revenues						
297-00000-4161	SPECIAL ASSESSMENTS	0.00		10,360.21	37,293.22	37,293.22
297-00000-4805	CONTRIBUTIONS	0.00		10,000.00	10,000.00	10,000.00
297-00000-4970	INTEREST INCOME	0.00		0.00	3.05	3.05
TOTAL Revenues		0.00		20,360.21	47,296.27	47,296.27
Expenditures						
297-70803-5346	CONTRACTUAL SERVICES	0.00		3,575.00	29,659.50	29,659.50
TOTAL Expenditures		0.00		3,575.00	29,659.50	29,659.50

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Population: All Records

Current Installment Year: 2016

Date	Sp. Assessment	Tot Prin Pd	Tot Admin Pd	Cur Admin Pd	Tot Intrst Pd	Cur Intrst Pd	Tot Pen Pd	Cur Pen Pd	Tot Addtl Penalty Paid	Cur Addtl Penalty Paid	Tot CertFee Pd	Cur CertFee Pd	Total Pd
Recept #	Parcel No.	Cur Prin Pd	Cur Admin Pd	Cur Admin Pd	Cur Intrst Pd	Cur Intrst Pd	Cur Pen Pd	Cur Pen Pd	Cur Addtl Penalty Paid	Cur Addtl Penalty Paid	Cur CertFee Pd	Cur CertFee Pd	Current Pd
Batch #													
02/08/2016	BID-2016 DOWNTOWN BID	155.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	155.76
00405315	24-205-175-0021-00	155.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	155.76
	MCDERMOTT WILLIAM/DENISE												
02/08/2016	BID-2016 DOWNTOWN BID	469.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	469.92
00405274	24-205-176-0003-00	469.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	469.92
	NOORDYK WILLIAM TRUST												
02/09/2016	BID-2016 DOWNTOWN BID	1,778.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,778.80
00405681	24-205-177-0005-00	1,778.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,778.80
	COREPARK INVESTMENTS LLC												
02/11/2016	BID-2016 DOWNTOWN BID	150.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.48
00406318	24-205-175-0020-00	150.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.48
	SEARER JAMES M												
02/12/2016	BID-2016 DOWNTOWN BID	1,280.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,280.40
00406704	24-205-175-0006-00	1,280.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,280.40
	FIRST GENERAL CREDIT UNION												
02/16/2016	BID-2016 DOWNTOWN BID	105.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105.60
00407553	24-205-187-0016-00	105.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105.60
	AUTHORITY BASE VALUE												
02/17/2016	BID-2016 DOWNTOWN BID	302.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	302.40
00407780	24-205-175-0015-00	302.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	302.40
	RIEGLER PROPERTIES LLC												
02/22/2016	BID-2016 DOWNTOWN BID	369.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	369.60
00408385	24-205-188-0011-00	369.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	369.60
	DOOM JEFFREY W												
02/22/2016	BID-2016 DOWNTOWN BID	549.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	549.12
00408385	24-205-330-0004-00	549.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	549.12
	DOOM INVESTMENTS LLC												
02/22/2016	BID-2016 DOWNTOWN BID	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
00408397	24-205-331-0001-10	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
	FIFTH THIRD BANK												
02/24/2016	BID-2016 DOWNTOWN BID	113.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	113.52
00408662	24-205-176-0012-00	113.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	113.52
	NW AMERICA REAL ESTATE LLC												
02/24/2016	BID-2016 DOWNTOWN BID	27.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.72
00408662	24-205-176-0013-00	27.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.72
	NW AMERICA REAL ESTATE LLC												
02/24/2016	BID-2016 DOWNTOWN BID	91.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.08
00408662	24-205-176-0015-00	91.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.08
	NW AMERICA REAL ESTATE LLC												
02/24/2016	BID-2016 DOWNTOWN BID	522.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	522.72
00408662	24-205-177-0007-00	522.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	522.72
	NW MILL REAL ESTATE LLC												

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Recpt #	Parcel No.	Cur Prin Pd	Cur Admin Pd	Cur Intrst Pd	Cur Pen Pd	Cur Addtl Penalty Paid	Cur CertFee Pd	Current Pd
Batch #								
02/25/2016	BID-2016 DOWNTOWN BID	320.90	0.00	0.00	0.00	0.00	0.00	320.90
0040836	24-205-186-0009-00	320.90	0.00	0.00	0.00	0.00	0.00	320.90
	J & K PROPERTIES OF W MI INC							
02/25/2016	BID-2016 DOWNTOWN BID	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00
0040838	24-205-333-0001-00	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00
	HUNTINGTON BANK							
03/01/2016	BID-2016 DOWNTOWN BID	1,471.04	0.00	0.00	0.00	0.00	0.00	1,471.04
00409478	24-205-322-0003-00	1,471.04	0.00	0.00	0.00	0.00	0.00	1,471.04
	L & K COMPANY LLC							
03/01/2016	BID-2016 DOWNTOWN BID	1,393.92	0.00	0.00	0.00	0.00	0.00	1,393.92
00409478	24-205-322-0005-00	1,393.92	0.00	0.00	0.00	0.00	0.00	1,393.92
	L & K COMPANY LLC							
03/01/2016	BID-2016 DOWNTOWN BID	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00
00409514	24-205-563-0006-00	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00
	HUME PROPERTIES LLC							
03/08/2016	BID-2016 DOWNTOWN BID	628.66	0.00	0.00	0.00	0.00	0.00	628.66
00410780	24-205-567-0001-10	628.66	0.00	0.00	0.00	0.00	0.00	628.66
	450 W WESTERN LLC							
03/14/2016	BID-2016 DOWNTOWN BID	738.80	0.00	0.00	0.00	0.00	0.00	738.80
00411400	24-203-315-0006-00	738.80	0.00	0.00	0.00	0.00	0.00	738.80
	3M INVESTMENTS LLC							
03/15/2016	BID-2016 DOWNTOWN BID	84.48	0.00	0.00	0.00	0.00	0.00	84.48
00411593	24-205-174-0008-00	84.48	0.00	0.00	0.00	0.00	0.00	84.48
	WITT LEE A TRUST							
03/17/2016	BID-2016 DOWNTOWN BID	219.30	0.00	0.00	0.00	0.00	0.00	219.30
00411851	24-205-566-0013-00	219.30	0.00	0.00	0.00	0.00	0.00	219.30
	G & Z PROPERTIES LLC							
03/28/2016	BID-2016 DOWNTOWN BID	316.80	0.00	0.00	0.00	0.00	0.00	316.80
00412810	24-205-187-0001-00	316.80	0.00	0.00	0.00	0.00	0.00	316.80
	JERVISS-FETHKE INSURANCE AGENCY INC							
03/28/2016	BID-2016 DOWNTOWN BID	1,176.00	0.00	0.00	0.00	0.00	0.00	1,176.00
00412811	24-205-187-0007-00	1,176.00	0.00	0.00	0.00	0.00	0.00	1,176.00
	FETHKE KAREN J TRUST							
03/30/2016	BID-2016 DOWNTOWN BID	1,986.48	0.00	0.00	0.00	0.00	0.00	1,986.48
00413106	24-205-310-0012-00	1,986.48	0.00	0.00	0.00	0.00	0.00	1,986.48
	CITY OF MUSKEGON							
04/01/2016	BID-2016 DOWNTOWN BID	739.20	0.00	0.00	0.00	0.00	0.00	739.20
00413344	24-205-313-0006-00	739.20	0.00	0.00	0.00	0.00	0.00	739.20
	COREPARK INVESTMENTS LLC							
04/05/2016	BID-2016 DOWNTOWN BID	575.61	0.00	0.00	0.00	0.00	0.00	575.61
00414295	24-205-567-0001-20	575.61	0.00	0.00	0.00	0.00	0.00	575.61
	PORT CITY CIO BLDG							

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Date	Sp. Assessment	Tot Prin Pd	Tot Admin Pd	Tot Intrst Pd	Tot Pen Pd	Tot Addtl Penlty Paid	Tot CertFee Pd	Total Pd
Recpt #	Parcel No.	Cur Prin Pd	Cur Admin Pd	Cur Intrst Pd	Cur Pen Pd	Cur Addtl Penlty Paid	Cur CertFee Pd	Current Pd
Batch #								
04/07/2016	BID-2016 DOWNTOWN BID	55.32	0.00	0.00	0.00	0.00	0.00	55.32
00414529	24-205-332-0007-20	55.32	0.00	0.00	0.00	0.00	0.00	55.32
	MORALES MANUEL							
04/11/2016	BID-2016 DOWNTOWN BID	624.41	0.00	0.00	0.00	0.00	0.00	624.41
00415018	24-233-000-0004-00	624.41	0.00	0.00	0.00	0.00	0.00	624.41
	RUSSELL BLOCK DEVELOPMENT LLC							
04/11/2016	BID-2016 DOWNTOWN BID	446.53	0.00	0.00	0.00	0.00	0.00	446.53
00415019	24-233-000-0005-00	446.53	0.00	0.00	0.00	0.00	0.00	446.53
	CENTURY CLUB DEVELOPMENT LLC							
04/11/2016	BID-2016 DOWNTOWN BID	253.84	0.00	0.00	0.00	0.00	0.00	253.84
00415018	24-233-000-0025-00	253.84	0.00	0.00	0.00	0.00	0.00	253.84
	RUSSELL BLOCK DEVELOPMENT LLC							
05/05/2016	BID-2016 DOWNTOWN BID	929.28	0.00	0.00	0.00	0.00	0.00	929.28
00418929	24-205-175-0016-00	929.28	0.00	0.00	0.00	0.00	0.00	929.28
	CZM PROPERTIES LLC							
05/18/2016	BID-2016 DOWNTOWN BID	55.32	0.00	0.00	0.00	0.00	0.00	55.32
00420594	24-205-332-0007-20	55.32	0.00	0.00	0.00	0.00	0.00	55.32
	MORALES MANUEL							
06/01/2016	BID-2016 DOWNTOWN BID	1,223.19	0.00	0.00	0.00	0.00	0.00	1,223.19
00422156	24-432-000-0000-00	1,223.19	0.00	0.00	0.00	0.00	0.00	1,223.19
	MUSKEGON CHAMBER BUILDING LLC							
06/14/2016	BID-2016 DOWNTOWN BID	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00
00424164	24-205-188-0004-00	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00
	BK MUSKEGON PROPERTIES LLC							
06/17/2016	BID-2016 DOWNTOWN BID	375.00	0.00	0.00	0.00	0.00	0.00	375.00
00424517	24-205-556-0001-00	375.00	0.00	0.00	0.00	0.00	0.00	375.00
	HOT ROD HARLEY DAVIDSON							
06/24/2016	BID-2016 DOWNTOWN BID	2,171.36	0.00	0.00	0.00	0.00	0.00	2,171.36
00425294	24-205-175-0001-00	2,171.36	0.00	0.00	0.00	0.00	0.00	2,171.36
	J E REAL ESTATE CO LLC							
06/24/2016	BID-2016 DOWNTOWN BID	268.32	0.00	0.00	0.00	0.00	0.00	268.32
00425195	24-205-316-0007-00	268.32	0.00	0.00	0.00	0.00	0.00	268.32
	WESTERN AVE LLC							
06/24/2016	BID-2016 DOWNTOWN BID	358.88	0.00	0.00	0.00	0.00	0.00	358.88
00425196	24-205-316-0008-00	358.88	0.00	0.00	0.00	0.00	0.00	358.88
	WESTERN AVE LLC							
06/24/2016	BID-2016 DOWNTOWN BID	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00
00425173	24-792-000-0001-00	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00
	HINMAN LAKE LLC							
06/30/2016	BID-2016 DOWNTOWN BID	277.20	0.00	0.00	0.00	0.00	0.00	277.20
00425869	24-205-188-0012-00	277.20	0.00	0.00	0.00	0.00	0.00	277.20
	SWIATEK TRUST							

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Recpt #	Parcel No.	Cur Prin Pd	Cur Admin Pd	Cur Intrst Pd	Cur Pen Pd	Cur Adttl Penalty Paid	Cur CertFee Pd	Current Pd
Batch #								
06/30/2016	BID-2016 DOWNTOWN BID	1,186.26	0.00	0.00	0.00	0.00	0.00	1,186.26
	24-205-310-0016-00	1,186.26	0.00	0.00	0.00	0.00	0.00	1,186.26
0000000ACH	CITY OF MUSKEGON							
07/01/2016	BID-2016 DOWNTOWN BID	181.44	0.00	0.00	0.00	0.00	0.00	181.44
00426046	24-205-367-0012-00	181.44	0.00	0.00	0.00	0.00	0.00	181.44
	LEMKE DELORES J/LEWKE KIM A							
07/06/2016	BID-2016 DOWNTOWN BID	375.00	0.00	0.00	0.00	0.00	0.00	375.00
00426853	24-205-318-0001-00	375.00	0.00	0.00	0.00	0.00	0.00	375.00
	MJ DOWNTOWN PROPERTIES LLC							
07/06/2016	BID-2016 DOWNTOWN BID	48.00	0.00	0.00	0.00	0.00	0.00	48.00
00426853	24-205-318-0008-00	48.00	0.00	0.00	0.00	0.00	0.00	48.00
	MJ DOWNTOWN PROPERTIES LLC							
07/08/2016	BID-2016 DOWNTOWN BID	1,186.26	0.00	0.00	0.00	0.00	0.00	1,186.26
	24-205-310-0016-00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0000000ACH	CITY OF MUSKEGON							
07/08/2016	BID-2016 DOWNTOWN BID	-1,186.26	0.00	0.00	0.00	0.00	0.00	-1,186.26
	24-205-310-0016-00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CITY OF MUSKEGON							
07/18/2016	BID-2016 DOWNTOWN BID	155.76	0.00	0.00	0.00	0.00	0.00	155.76
00429027	24-205-175-0021-00	155.76	0.00	0.00	0.00	0.00	0.00	155.76
	MCDERMOTT WILLIAM/DENISE							
07/19/2016	BID-2016 DOWNTOWN BID	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00
00429425	24-205-188-0004-00	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00
	BK MUSKEGON PROPERTIES LLC							
07/20/2016	BID-2016 DOWNTOWN BID	348.48	0.00	0.00	0.00	0.00	0.00	348.48
00429493	24-205-367-0001-00	348.48	0.00	0.00	0.00	0.00	0.00	348.48
	PIONEER RESOURCES INC							
Total Payments:51		39,901.90	0.00	0.00	0.00	0.00	0.00	39,901.90
		39,901.90	0.00	0.00	0.00	0.00	0.00	39,901.90

To: BID Board and DMN Board

From: Dave Alexander, DMN executive director

Re: Business Improvement District extension

Date: June 2016

I had a very productive meeting with city of Muskegon staff from Finance and Planning/Economic Development on renewing and extending the Business Improvement District, which was given only a one-year trial by the Muskegon City Commission in January.

Here is an outline of the process that we will all need to go through to have the BID extended for a recommended three years. This three-year extension was unanimously endorsed by the DMN board at its May meeting.

The timeline looks like this:

July 1: The city's Finance Department will send out a reminder invoice for all of those who have not paid their 2016 assessment. It will include a note from the BID board explaining that assessments not paid by Oct. 31, 2016 will be put on the winter tax bill and an update of downtown BID activities.

July 25 (tentative): The BID board meets and must make some key recommendations such as the scope and outline of the district, the number of years of the expanded BID, the rate and maximum cap per each property classification, an annual budget for three years, and how the assessments will be billed (either on winter tax bills from the start or invoiced over the year as in 2016). I will make recommendations on each point in consultation with city officials.

Aug. 1: DMN executive director verifies the assessment roll for the city assessor and provides the annual budget and proposed assessment rate/maximum cap.

Aug. 27: The city assessor completes the “benefit analysis summary” for use in the notices and the public hearings.

Sept. 1: Two notices of the Sept. 27 public hearing on the creation of the district are published in The Muskegon Chronicle.

Sept. 16: Notices of the proposed district and likely assessments for each property are mailed to property owners by the city.

Sept. 27: A public hearing on the creation of the district and vote by the Muskegon City Commission.

Oct. 1: Two notices of the Oct. 25 public hearing on the approval of the district are published in The Muskegon Chronicle.

Oct. 14: Notices of the proposed assessments for each property are mailed to property owners by the city.

Oct. 25: A public hearing on the final assessment rolls and vote by the Muskegon City Commission.

Oct. 31: If approved, assessment invoices will be mailed or assessments placed on winter tax bills.

Jan. 1: The new BID year begins, if approved by the Muskegon City Commission.

To: BID Board

From: Dave Alexander, DMN executive director

Re: BID extension proposal

Date: July 22, 2016



As discussed at our May BID board meeting, we are beginning the process of extending the BID beyond 2016. A timeline for BID extension is attached in this agenda packet and will be discussed under unfinished business on the July 25 agenda.

The Muskegon City Commission with votes in November 2015 and January 2016, created the Business Improvement District for one year. Two categories of properties were to be assessed: "A" properties that are retail, commercial and office that receive the most benefit from downtown and "B" properties such as industrial and automotive in the district but with less direct benefit. Under the current one-year BID, the special assessment for A properties is 8 cents per square foot of land for a maximum of \$3,000 per parcel and for B properties 2 cents per square foot of land for a maximum of \$750 per parcel.

A further restriction is in the definition of a "parcel." I am told by the former downtown manager that the 2016 assessment roles were determined under a formula that took all contiguous parcels, owned by the same entity and with the same business operation treated as a single parcel as it relates to the maximum assessment. So for example, The Holiday Inn has three parcels that are being used to operate the hotel and conference center. Those parcels combine and are as a group are subject to the \$3,000 maximum for A properties.

Your task as a BID board in the process of extending the BID beyond 2016 begins at the July 25 meeting. The board needs to provide a recommendation to city commissioners and staff as to what to propose for public hearings in September and October. Be aware that the Downtown Muskegon Now board unanimously approved at its June meeting a resolution of support to extend the BID beyond 2016. That resolution was in concept and not tied to any of the proposed details.

The overall rationale for an extended BID is that as downtown Muskegon develops, there needs to be a sustainable and predictable level of funding for services and improvements for downtown. The downtown and city are limited as to support from the current Downtown Development Authority due to repayment of past debts. It was determined by Downtown Muskegon Now management and board and the city of Muskegon that a BID was the best way to provide the support for what needs to happen in downtown to take our central business district to new levels. As development occurs, downtown needs to be ready.

I have meet with city staff to determine the timeline as directed by the BID board in May. I then meet with City Manager Frank Peterson and Mayor Steve Gawron to see what they would want the BID board to consider and what might be able to be approved by the city commission.

The BID board needs to determine: 1. How many years to extend; 2. The size and boundaries of the district; 3. What the assessment rate and the maximums are for each property class; 3. Approve a projected annual budget; 4. Determine the method of assessment billing and payment.

Here are city leaders' suggestions for the BID board's consideration:

Years: Extension of the BID for five years.

The initial BID was for one year to see how the process worked and get reaction from downtown property owners/businesses. Each special assessment district is difficult from a staff standpoint in terms of the public approval process with two specific public hearings. Not having to renew the BID on a regular basis is being sought by city staff.

District: The accompanying map shows in BLUE the existing BID with 125 parcels assessed. In RED are the suggested expanded boundaries. That expansion of the district would create about 13 more assessed parcels including Shoreline Inn, Terrace Point, Harbor 31, Firehouse Professional Building, U.S. 31 BBQ and Hairitage Salon.

The district has been enlarged to better define downtown and those properties that benefit from downtown developments, activities and events.

Rate: The proposed rate increase is 25 percent. That would bring A parcels to 10 cents a square foot with a \$3,750 maximum and B parcels to 2.5 cents with a \$937.50 maximum. These rates would generate \$174,393 in the expanded district.

In comparison, the status quo rate would generate \$136,878 with district expansion. Without district expansion and without a rate increase, the BID generates \$115,942. The overall BID revenue for 2016 are \$125,942 based upon a \$10,000 contribution to the BID by the city for its properties in the district. That BID contribution is not in the city's 2016-17 budget.

With the growing needs of services to create a first class downtown, more revenue will be needed over the course of proposed BID. The BID creates a static amount of revenue based upon rates since the assessments are on square footage of land, not size of building or value of property assessments.

Budget: The chart below shows the spending categories for the proposed BID with revenues of \$174,393. Future budgets will be approved by the city commission and specific spending reviewed by the BID board. BID activities would be reported annually each January.

<i>Expenditures</i>	<i>2017 proposed</i>	<i>2016 budgeted</i>
Snow removal	\$75,000	\$72,000
Landscaping	\$20,000	\$16,000
Marketing/events	\$25,000	\$24,000
Streetscape	\$25,000	\$11,500
Administration	\$25,000	none
Contingencies	\$4,393	\$2,442
TOTAL	\$174,393	\$125,942

Snow removal is the same as in 2016, sidewalks in the district, an alleyway and two parking lots.

Landscaping is the Western Avenue corridor and 27 planters in the district. With a BID expansion, snow removal and landscaping services also would expand to new areas.

Marketing and events would continue to be activities such as First Fridays, annual downtown map, website upgrades and electronic newsletter.

Streetscape is a general category that could include signs, banners, benches, trash cans, sidewalk repainting/construction, public art, holiday decorations and the like.

Administration is a payment to Downtown Muskegon Now to administer the BID in light of DMN budget cuts from the city of Muskegon. DMN provided staff services to the BID in 2016 at no charge.

Payment: The BID assessments were paid through a series of two invoices from the city treasurer. 2016 payments not made by Oct. 31 were to be put on the parcel's winter tax bill. Such a payment system was a helping property owners adjust to the new costs. Such invoices are expensive and time-consuming for staff. The recommendation from the city is to put future assessments directly on the winter tax bill, in 2017 due Feb. 15 before being subject to delinquent fees and penalties.

